

By: Johnson of Harris

H.B. No. 430

A BILL TO BE ENTITLED

AN ACT

relating to outcomes-based funding for general academic teaching institutions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER D. OUTCOMES-BASED FUNDING FOR GENERAL ACADEMIC TEACHING INSTITUTIONS [~~PERFORMANCE INCENTIVE FUNDING~~]

Sec. 62.071. DEFINITIONS. In this subchapter:

(1) "At-risk student" means an undergraduate student of an eligible institution:

(A) whose score on the Scholastic Assessment Test (SAT) or the American College Test (ACT) is less than the national mean score of students' scores on that test;

(B) who has been awarded a grant under the federal Pell Grant program;

(C) who was 20 years of age or older on the date the student initially enrolled in the institution;

(D) who is enrolled as a part-time student; or

(E) who did not receive a high school diploma but received a high school equivalency certificate [~~within the last six years~~].

(2) [~~"Critical field" means:~~

[~~(A) the field of engineering, computer science,~~

1 ~~mathematics, physical science, allied health, nursing, or teacher~~  
2 ~~certification in a field of science or mathematics; and~~

3 ~~[(B) any other field of study identified as a~~  
4 ~~critical field by the coordinating board in "Closing the Gaps," the~~  
5 ~~state's master plan for higher education.~~

6 ~~[(3) "Eligible institution" means a general academic~~  
7 ~~teaching institution other than a public state college.~~

8 ~~[(4)] "General academic teaching institution" has~~  
9 ~~[and "public state college" have] the meaning [meanings] assigned~~  
10 ~~by Section 61.003.~~

11 Sec. 62.072. BIENNIAL DISTRIBUTION OF FUNDS TO GENERAL  
12 ACADEMIC TEACHING INSTITUTIONS BASED ON OUTCOMES METRICS POINTS.  
13 Except as provided by Section 62.073, for each state fiscal  
14 biennium, the coordinating board shall distribute any funds  
15 appropriated to the coordinating board by the legislature for the  
16 purposes of this subchapter, and any other funds made available for  
17 the purposes of this subchapter, to general academic teaching  
18 institutions in an amount based on each institution's average  
19 number of baccalaureate degrees awarded in a year during the  
20 preceding three years according to the following distribution:

21 (1) \$500 for each baccalaureate degree awarded to a  
22 student who is not an at-risk student; and

23 (2) \$1,000 for each baccalaureate degree awarded to an  
24 at-risk student.

25 ~~[FUNDING. (a) For each state fiscal year, the coordinating~~  
26 ~~board shall distribute any performance incentive funds~~  
27 ~~appropriated by the legislature for purposes of this subchapter,~~

1 ~~and any other funds made available for the purposes of this~~  
2 ~~subchapter, to eligible institutions as follows:~~

3           ~~[(1) 50 percent to be distributed among eligible~~  
4 ~~institutions in proportion to the increase, if any, in the average~~  
5 ~~number of degrees awarded annually by each institution in the two~~  
6 ~~most recent fiscal years from the average number of degrees awarded~~  
7 ~~annually by that institution in the two fiscal years immediately~~  
8 ~~preceding those fiscal years, using the weights assigned to each~~  
9 ~~degree under the table prescribed by Subsection (b); and~~

10           ~~[(2) the remaining 50 percent to be distributed among~~  
11 ~~eligible institutions in proportion to the average number of~~  
12 ~~degrees awarded annually by each institution in the three most~~  
13 ~~recent fiscal years, using the weights assigned to each degree~~  
14 ~~under the table prescribed by Subsection (b).~~

15           ~~[(b) A number of points is assigned for each degree awarded~~  
16 ~~by an eligible institution according to the following table:~~

17           ~~[POINTS~~

18 <del>[Noncritical Field/Not At-Risk Student</del>	1.0
19 <del>[Noncritical Field/At-Risk Student</del>	2.0
20 <del>[Critical Field/Not At-Risk Student</del>	2.0
21 <del>[Critical Field/At-Risk Student</del>	3.0]

22           ~~Sec. 62.073. DISTRIBUTION OF FUNDS CONTINGENT ON FULL~~  
23 ~~FUNDING OF BASE FORMULA FUNDING. Funds may be distributed under~~  
24 ~~this subchapter for a state fiscal biennium only if the instruction~~  
25 ~~and operations formula for all general academic teaching~~  
26 ~~institutions for undergraduate education under Section 61.059 is~~  
27 ~~funded by appropriation for that biennium at a level, per weighted~~

1 semester credit hour, that is equal to or greater than the level at  
2 which that formula was funded by appropriation for all general  
3 academic teaching institutions in the preceding state fiscal  
4 biennium, as that level is adjusted for inflation.

5 Sec. 62.074. RULES. The coordinating board shall adopt  
6 rules for the administration of this subchapter, including any  
7 rules the coordinating board considers necessary regarding the  
8 submission to the coordinating board by eligible institutions of  
9 any student data required for the coordinating board to carry out  
10 its duties under this subchapter.

11 SECTION 2. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2017.